

CONTRACT dated January 12, 19 65.

between ILLINOIS POWER COMPANY, an Illinois corporation, and

TEXACO, INC.

Delaware

corporation herein called "Customer".

The parties hereto hereby agree as follows:

1. Customer requires a capacity of 9370 kilowatts of three phase electric energy of approximately 69,000 volts, for the operation of the electrical equipment in its oil field located in and about Section 32,

Township 2 North, Range 1 East, Marion County, Illinois

and such capacity shall constitute the "Contract Demand" or "Contract Capacity" as referred to in the Service Classification. Utility agrees to supply such electric energy and Customer agrees to accept and pay for service rendered hereunder, all in accordance with the rates and charges and upon the terms and conditions set forth in Utility's Service Classification 24, Ill. C. C. No. 5, a copy of which is attached hereto and made a part hereof, and the applicable Rules, Regulations, Terms and Conditions, all of which are now on file with the Illinois Commerce Commission as part of Utility's Electric Rate Schedule.

It is understood that Utility's Electric Rate Schedule which consists of all Service Classifications, any Riders thereto, the Standard Terms and Conditions, and the Rules, Regulations and Conditions Applying to Electric Service, or any part thereof (including but not limited to portions thereof fixing charges for service to the Customer) is subject to change, from time to time, by addition, amendment or substitution, all as provided by law. In the event of any such change in the Rate Schedule or any part thereof, the Utility agrees to supply and the Customer agrees to accept and pay for service thereafter and during the remainder of the term of this contract in compliance with and at the charges provided for by the Rate Schedule as changed, and such Rate Schedule as changed, to the extent applicable to service to Customer, shall thereupon be incorporated in and made a part of this contract the same as if fully set forth herein.

2. This contract is subject to all applicable rules and rulings of the Illinois Commerce Commission or any successor thereof having jurisdiction of the subject matter of this contract as now or hereafter in force.

3. The point of delivery at which electric energy will be supplied and accepted shall be where Utility's 69,000 volt lines connect to a substation located in the southeast quarter of the northwest quarter of Section 32, Township 2 North, Range 1 East, Marion County, Illinois. Utility agrees to provide, own, and maintain said substation on a rental basis as set forth in paragraph 6 hereof, but for the purpose of applying paragraph 5 of this contract, the point of delivery shall be the connection of the Customer's facilities to the 12,470 volt bus of said substation.

4. The point at which electric energy shall be measured (metering point) hereunder shall be Utility's 12,470 volt metering equipment located in the aforesaid substation.

EXHIBIT

C

5. Utility shall not be liable for and Customer shall indemnify Utility against any and all claim, damage, liability or expense, whether suffered or incurred by Utility or Customer, their agents or employees, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical or other type of conductor or equipment located on Customer's side of the point of delivery or by the presence or escape of electrical energy in or from such conductor or equipment, unless such claim, damage, liability or expense results from or is occasioned by the sole negligence or misconduct of Utility; Customer shall not be liable for and Utility shall indemnify Customer against any and all claim, damage, liability or expense, whether suffered or incurred by Customer or Utility, their agents or employees, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical or other type of conductor or equipment located on Utility's side of the point of delivery or by the presence or escape of electrical energy in or from such conductor or equipment, unless such claim, damage, liability or expense results from or is occasioned by the sole negligence or misconduct of Customer; provided, however, in case of any claim, damage, liability or expense resulting from or occasioned by the joint or concurring negligence or misconduct of both parties, it shall be borne equally by them, except that Utility shall not in any case be liable for or under any obligation to indemnify Customer against any claim, damage, liability or expense resulting from or occasioned by fire on Customer's premises unless the same is due to the sole negligence or misconduct of Utility; and further provided that in computing any claim, damage, liability or expense, under this paragraph 5, neither the Customer nor the Utility shall be permitted to include loss of profits on account of business interruptions or otherwise.

**CONFIDENTIAL**

6. According to the terms of the service classification, Customer is to provide and maintain all transformers and related facilities necessary for handling and utilizing the energy delivered hereunder. Customer requests that in lieu of owning such facilities, Utility make available in Utility's existing 69,000 to 12,470 volt substation capacity to serve Customer's electric load. In consideration of this, Customer agrees to pay Utility an initial non-refundable contribution of \$23,116.00 for a proportionate share of the non-salvageable costs of the substation and a monthly rental of 1.25% of a proportionate share of the salvageable costs of the substation. Customer's share of the salvageable costs is \$66,101.00 and the monthly rental is, therefore, \$826.26.

As set forth in the above paragraph, Customer agrees to pay Utility a non-refundable contribution and a monthly rental. This contribution and rental entitles customer to a substation capacity of 16,000 Kva. Said substation capacity is to be available upon completion of the installation of an additional transformer to operate in parallel with the existing transformer located in the existing 69,000 volt to 12,470 volt substation.

In lieu of metering at the delivery voltage specified herein, Customer agrees that for the purpose of billing the electric energy herein provided, the monthly metered demand shall be increased by 0.75% and the monthly metered energy shall be increased by 0.75% to compensate Utility for losses in the 69,000 to 12,470 volt transformers.

7. The complete understanding of the parties hereto is merged in this contract, any previous understanding whether written or oral to the contrary notwithstanding and the electric service contract between the parties hereto dated April 6, 1955 is cancelled and superseded.

8. This contract shall be for a term of one (1) year beginning on December 23, 1964 and shall continue from year to year thereafter unless cancelled by either party upon twelve (12) months or written notice, in accordance with the **terms of the service classification.**

9. Any notice permitted or required to be given under the terms of this contract shall be sufficient if delivered or if deposited in the United States Mail in an envelope properly addressed to the party upon whom such notice is being served, with lawful postage prepaid.

10. Customer may, during the term of this contract, negotiate a new contract with Utility for capacities in excess of that shown in Paragraph 1 hereof on the basis of the best applicable Service Classification and for a term of years consistent with the requirements of such Service Classification. In the event that such a contract is executed by Utility, it shall cancel and supersede this contract.

11. This contract shall become effective as though delivered on the first day upon which the Customer takes service hereunder and shall bind and inure to the benefit of the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this contract the day and year first above mentioned.

ILLINOIS POWER COMPANY

CUSTOMER

By N G Meenen

Title Vice President

Date APR - 2 1965

TEXACO, INC.

(Please type name below signature.) APPROVED

By GR Brown

Title \_\_\_\_\_

Date \_\_\_\_\_

ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

STANDARD TERMS AND CONDITIONS

The Standard Terms and Conditions set forth below, and Ill. C. C. No. 10 - Rules, Regulations and Conditions applying to Electric Service apply to all pertinent electric service classifications and riders thereto herein contained, except that where provisions not consistent herewith or with the above mentioned Rules, Regulations and Conditions are set out in individual Service Classifications and Riders, the provisions of the Service Classifications and Riders shall govern.

1. Terms of Payment:

- (a) Customer's bills will be rendered at net rates and will be distributed at monthly intervals bearing the date on which net payments are due, namely not less than 10 days after date distributed. Accounts not paid in full within 10 days will be subject to an additional charge of 2%.
- (b) Upon request by Customer, Utility will waive the additional charge of 2% on bills not paid within the net payment period, provided such requests are not made more often than once in each half-calendar year.
- \* (c) Because of statutory or other requirements incidental to their fiscal operations, Federal, State, County and Municipal governments including public school districts or any other political subdivision created under Federal or State Laws and supported by public taxation, will be allowed a period of 30 days from date of bill during which time payment may be made on a net basis. Such accounts not paid in full within 30 days will be subject to an additional charge of 2%.
- (d) The additional charge of 2% provided for in subparagraphs (a), (b) and (c) above shall not be in lieu of or affect the Utility's right to collect interest as provided by law or by contract on account of failure of the customer to pay charges when they become due and payable.

2. Additional Charges for Service in Certain Communities:

Whenever and so long as any municipal or quasi-municipal corporation shall require the Utility to pay a consideration for any franchise or privilege, or shall tax Utility as may be provided by law and if such consideration or tax is based on a percentage of Utility's gross earnings or gross receipts from electric service to customers within the territorial limits of such taxing bodies, the charge for service to each customer within such territorial limits which would otherwise be made shall be increased (by separate billing item or items) by the same percentage or amount plus such additional percentages or amounts to cover costs of accounting, the resulting increases in other taxes and other matters as may be permitted by law.

3. Resale, standby and Auxiliary Service:

Energy supplied to any customer under Ill. C. C. No. 5 is not available for resale, standby or Auxiliary service, except where expressly provided for by the Service Classification under which such customer takes service.

4. Exclusive Source of Power:

Service shall not be available to any customer at any location where customer purchases electric energy from any other source than Utility.

\* Asterisk indicates change.

Issued April 2, 1964

Effective with bills rendered  
on and after May 2, 1964.

Issued by H. G. Meenen, Vice President  
Decatur, Illinois

ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24

Optional Large Power - Annual Load Factor

1. Availability:

Any customer located in territory served by Utility will be served under this Service Classification subject to the following conditions:

- \* (a) That Customer takes delivery directly from Utility's electric system at 34,500 volts or higher.
- (b) That electric energy delivered hereunder is not available for resale or redistribution.
- (c) That prior to the commencement of service hereunder, Customer shall execute and shall thereafter keep in full force and effect a written contract with Utility in accordance with the provisions of Section 5 hereof.
- (d) That service hereunder shall be available to customers generating a portion of their own electric energy requirements only if they comply with the provisions of Section 4 hereof.
- (e) That service is not available under this Service Classification to any customer at any location where Customer purchases electric energy from any source other than Utility.
- (f) That Utility, unless otherwise directed by order of the Commission, shall not be obligated to serve customers hereunder, if Utility for any reason does not at the time have available generating and transmission facilities adequate to serve such additional load and also the loads of existing customers.

2. Conditions of Service:

- \* (a) Service hereunder will be delivered to Customer from three phase electric lines having nominal standard voltages of 34,500, 69,000, or 138,000 and having capacity sufficient to handle the specified reserved capacity. Utility retains discretion to select the supply line or lines from which service will be rendered to Customer. Utility also retains discretion to change such supply line or lines and to change the voltage of the supply lines in accordance with the provisions of Paragraph 4.15 of Utility's Rules and Regulations.
- (b) Customer shall provide and maintain all transformers and related facilities necessary for handling and utilizing the energy delivered hereunder.
- (c) Utility will provide and maintain one three-phase voltage connection, provided Customer will make available, without charge to Utility, space required for Utility's lines and delivery facilities.
- (d) Utility will provide and maintain one point of delivery and metering equipment therefor, except as may be otherwise provided in the applicable Rules and Regulations of the Utility. Such metering equipment shall be located on the high voltage side of transformation in the event transformation shall be required by Customer. Utility in its discretion, may elect to install such metering equipment on the low voltage side of transformation (whether or not for the convenience of Utility or Customer) and in such case both the demand and energy consumption will be increased to compensate Utility for transformer losses as measured by compensated metering equipment, or in the absence of such measurement, by computing such losses based on the manufacturer's data pertaining to the specific transformers installed.

3. Rates and Charges:

The Customer shall pay each month a capacity reservation charge and an energy charge (with power factor and fuel price adjustments) or a minimum charge computed from the Customer's 12 months (annual) usage ending with the current billing month all as hereinafter provided for.

\* Asterisk indicates change

Issued April 2, 1964

Effective with bills rendered  
on and after May 2, 1964

Issued by H. G. Meenen, Vice President  
Decatur, Illinois

ILLINOIS POWER COMPANY  
 SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24 - PAGE 2

- (a) Annual Capacity Reservation Charge. The capacity reservation charge shall be computed monthly on an annual basis. The charges hereinafter specified shall be applied to the annual capacity reservation, plus the annual standby billing demand as required by Subsection 4 hereof if applicable. The charges shall be:

For the first	500 kilowatts or less	\$34,800.00
For the next	1500 kilowatts	52.20 per kilowatt
For the next	8000 kilowatts	42.00 per kilowatt
For all over	10000 kilowatts	36.00 per kilowatt

The capacity reservation charge so computed shall include payment for the first 4200 Kwh per Kw of reserved capacity and standby billing demand, if any, paid for.

- (b) Excess Energy Charge, for all energy delivered during any 12 month period in excess of that paid for in Subsection 3(a) above. 0.41 cents per kwh
- (c) Unused energy credit, for all energy paid for in Subsection 3(a) above, but not used during the 12 month period for which such charge was based (subject to the provisions of Section 4 hereof). 0.2 cents per kwh
- (d) Power factor adjustment. In determining the annual charges, the bill for each of such months shall be increased 0.5¢ per kw of maximum demand measured in the month for each full 1% or major fraction thereof by which Customer's measured power factor is less than 95% lagging. No adjustment shall be made for power factors of 95% or higher. The maximum demand measured in the month for determination of the power factor adjustment shall be the highest average rate of energy delivered to the Customer during any three fifteen minute periods occurring on different days as measured by integrating meter.
- \* (e) Fuel Price Adjustment. The schedule of charges set forth above will be increased or decreased at the rate of .011¢ per Kwh for each 1¢ or major fraction thereof, in the average cost above or below a base cost of 18¢ per million BTU for energy in fuel converted into electric energy supplied to Utility's system. Adjustments hereunder shall be based on Utility's average fuel cost during the two calendar months immediately preceding the beginning of the monthly period in which such usage occurred.

The fuel price adjustment provided for herein shall be calculated for each month in the billing period and shall be applicable only to the actual Kwh used by Customer during each month of such period.

- (f) Minimum Charge. The annual charge hereunder shall be the sum of the charges computed under subsections 3(a), 3(b), 3(c), 3(d) and 3 (e), provided, however, such annual charge shall not be less than \$34,800.
- (g) Computation of Charges. The charges hereunder shall be computed on the basis specified in (a) above and Customer's actual usage, all for the period of twelve months ending with the current month, and the Customer is to be credited with the sum of the net amount of the previous eleven months bills. During the initial year of service and during the development period the Customer's bill will be computed for the period during which service was taken hereunder by prorating the annual capacity reservation charge, standby billing demand and any other appropriate adjustments.

In the event the capacity reservation as fixed by the contract shall be increased or decreased during any part of a twelve-months period for which a customer's bill is being computed, the number of Kw of reserved capacity for such computation (annual capacity reservation) shall be the arithmetic average of the reserved capacity in effect for each of the months of the entire period.

4. Standby Provisions:

The following provisions shall be applicable to customers producing a part of their own electric energy requirements.

- (a) The annual capacity reservation charge shall be computed by application of the charges in Subsection 3(a) to the sum of the annual capacity reservation and the annual standby billing demand, if any.

\* Asterisk indicates change

Issued July 2, 1964

Effective with bills rendered  
on or after August 1, 1964

ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24 - PAGE 3

Annual standby billing demand shall be the arithmetic average of the standby billing demand (which may be 0) effective for each month of the twelve months ending with the current month.

At Customer's election the standby billing demand shall be determined under the provisions of Option One or Option Two hereinafter set forth. Such election of Option One or Option Two shall be made prior to the execution of the electric service contract. Customer may change such election only at the end of the primary term or thereafter during any extended term on prior written notice of not less than twelve months provided, however, that Customer will not be permitted to change such election during a period when Customer is being charged for standby billing demand under this Subsection 4(a).

Standby demand shall be the Customer's total demand on Utility when all or any part of Customer's generation, transmission, delivery or other electric facilities shall be out of service because of accident, breakdown, maintenance, repairs, overhauling, fuel or generating steam shortage or any emergency, and such demand exceeds the then existing capacity reservation.

Customer shall have the option of requiring standby billing demand to be determined in accordance with one of the following two options.

(1) Option One. Standby billing demand in effect in any billing month shall be the greater of -

- (i) the number of Kw by which the average of the highest three fifteen-minute standby demands established during the twelve months (or from the date service is first taken hereunder if less than twelve months) ending with the current billing month, exceeds the average of the respective capacity reservations in effect during each of such three fifteen-minute periods, or
- (ii) the number of Kw by which the single highest fifteen-minute standby demand occurring during the period from July 15 through September 14 or from December 11 through January 25 and established during the twelve months (or from the date service is first taken hereunder if less than twelve months) ending with the current billing month exceeds the capacity reservation in effect during such fifteen-minute period.

Customer electing to take service under the provisions of this Option One shall not be eligible for and shall not receive the unused energy credit provided for in Subsection 3 (c) hereof.

In determining the highest three fifteen-minute demand periods referred to in Option One, no two demands shall be selected within the same off-peak period. An off-peak period, as used herein, shall be any one of the following periods: the consecutive hours from 7:00 P.M. to the following 7:00 A.M. on each weekday, or the entire day on each Saturday, Sunday, New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving Day and Christmas Day.

(2) Option Two. Standby billing demand in effect in any billing month shall be the number of Kw by which the single highest standby demand established during the twelve months (or from the date service is first taken hereunder, if less than twelve months) ending with the current billing month exceeds the capacity reservation in effect during such fifteen-minute period.

For those customers receiving service under this Option Two, the number of Kwh of unused energy to be used in determining the credit under the provisions of Subsection 3(c) hereof, in any billing period, shall be the lesser of:

- (i) the Kwh of energy paid for in such period as provided for in Subsection 3(a) hereof less the actual consumption in Kwh for that period as determined by Utility's meters, or
- (ii) the KWH of energy paid for in such period as provided for in Subsection 3 (a) hereof, less the number KWH computed by applying the plant load factor (as hereinafter defined) to the number of KWH which would have been purchased had customer used the annual capacity reservation and the annual standby billing demand, if any, at 100% load factor during the entire period.

\* Asterisk indicates change

May 10, 1963

Effective June 9, 1963

Issued by E. A. Shultz, Vice President  
Decatur, Illinois

ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24 - PAGE 4

Plant load factor as used herein shall be the ratio of the sum of the number of KWH generated by customer's facilities during the period (exclusive of station use), plus the KWH of purchased power during the period, to the number obtained by multiplying the sum of the annual contract capacity reservation plus the highest fifteen-minute demand on customer's facilities during the period, by the number of hours in such period.

The maximum fifteen-minute demand of the Customer upon Customer's facilities for the purpose of computing load factor shall be adjusted by subtracting the number of Kw required for electric generating station use, taking the measured Kwh of electric generating station use at 100 % load factor.

- (b) Customer shall not operate his equipment in parallel with Utility's facilities unless written permission therefor has been obtained and arrangements made so as to permit observation and control of said facilities by Utility's System Supervisors to the end that service to other customers and Utility's facilities are adequately protected against faulty operation or failure of any of Customer's facilities.

5. Additional Conditions and Contract Provisions:

The written contract required by this Service Classification shall contain terms and conditions not inconsistent with those provided for in any part of this Service Classification, including the following:

- (a) No service shall be supplied hereunder unless and until Customer shall execute a written contract specifying a definite reservation of capacity (capacity reservation or reserved capacity) which in no event shall be less than 500 Kw and for a primary term of years to be determined as follows:
- (1) Customers who are not taking service from Utility under the provisions of this Service Classification or Service Classification 21 or 22 and who qualify for service hereunder, shall contract for and take service for a primary term of years as specified in (ii) and (iii) of Subsection (2) hereof.
  - \* (2) Customer taking service under the provisions of this Service Classification who desire to contract for additional capacity and those customers taking service under Service Classifications 21 and 22 who can qualify for service hereunder may contract for and take service for a primary term equal to the remainder of the primary term of the contract under which they are being served, but not less than one year; except that if Utility is required to install additional electric facilities to serve Customer's load, the Customer and Utility shall execute a new contract which shall specify the new reserved capacity required by Customer. Any such new contract shall be for a term of years determined as follows:
    - (i) One year if no additional reserved capacity is required or if the added reserved capacity is less than 500 Kw.
    - (ii) Three years if the new or added reserved capacity required is from 500 to 1500 Kw.
    - (iii) Five years if the new or added reserved capacity required is more than 1500 Kw.

No new contract in any event shall be for a term shorter than the remainder of the primary term of the contract cancelled by any such new contract.

- (b) Customer's reserved capacity shall be increased as follows:

- \* (1) For those customers not receiving service under Section 4 hereof and whose measured demand in Kw at any time shall exceed the reserved capacity in effect at that time in any fifteen minute demand interval (as determined by metering), no two of which demand intervals shall be selected in any one day, the reserved capacity shall be increased without notice or other action to the average of the three highest of such measured demands, and any existing contract shall be deemed to have been amended to include such increased reserved capacity, effective with the billing period immediately following that billing period in which the increase in reserved capacity is so established. In the event Utility is required to install additional electric facilities to serve such increased reserved capacity, the contract shall also be amended to include a new primary term in accordance with the provisions of 5(a) (2) hereof.

\* Asterisk indicates change

Issued April 2, 1964

Effective with bills rendered  
on and after May 2, 1964

Issued by H. G. Meenen, Vice President  
Decatur, Illinois

ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24 - PAGE 5

- \* (2) For those customers receiving service under Section 4 hereof and whose measured demand in kw at any time during which all of Customer's facilities are capable of being operated shall exceed the sum of the reserved capacity and the standby billing demand in effect at that time in any fifteen minute interval (as determined by metering), no two of which demand intervals shall be selected in any one day, such reserved capacity shall be increased without notice or other action to the average of the three highest of such measured demands less the average of the standby billing demands in effect at the time the three highest demands were established and any existing contract shall be deemed to have been amended to include such increased reserved capacity effective with the billing period immediately following that billing period in which the increase in reserved capacity is so established.

In the event Utility is required to install additional electric facilities to serve such increased reserved capacity, the contract shall also be amended to include a new primary term in accordance with the provisions of 5(a)(2) hereof.

- (3) For the purposes of Subsections 5(b)(1) and 5(b)(2) a day shall be the 24 hour period from midnight to midnight.

Utility reserves the right by ten days prior written notice to refuse to increase Customer's reserved capacity when such increase would adversely affect service to other customers.

- (c) The primary or extended term of any contract provided for herein shall be automatically extended in accordance with the following provisions:

- (1) Contracts required by this Service Classification shall automatically extend on a year to year basis with the privilege of either party to terminate the contract or reduce the reserved capacity at the end of the primary term or at any time during any extended term on prior written notice of not less than twelve months provided, however, that Customer shall not be permitted to terminate the contract or reduce the reserved capacity of an existing contract during a period when Customer is being charged for standby billing demand under subsection 4(a). In the event of the permanent abandonment of the operations of any of Customer's facilities which utilize electric energy, Customer shall have the privilege of reducing the reserved capacity on twelve months prior written notice even though Customer is being charged for standby billing demand. Such reduction in reserved capacity shall not exceed the number of kilowatts required to operate said abandoned facilities.

In no event shall Customer be permitted to terminate the contract or reduce the reserved capacity of an existing capacity of an existing contract on less than 36 months prior written notice if such termination or reduction results from Customer having installed or added to existing generation, transmission, delivery or other similar electric facilities or Customer having substituted any other source of power for that furnished by Utility.

- (2) In the event Customer shall cease all operations and discontinue business at the location at which service is being rendered under such contract, Customer may cancel the contract at any time after the expiration of the then existing primary term upon written notice to the Utility served 30 days prior to the expiration of any monthly billing period.

- (d) An initial development period may be established by mutual agreement during which billings shall be based upon measured demands or capacity reservation not less than the greatest of the following quantities:

- (1) 500 kilowatts
- (2) One-third of the ultimate capacity reservation provided by contract.
- (3) The highest measured demand since the beginning of the contract.

Such development period shall terminate when measured demands exceed 80 per cent of the capacity reserved by contract, or at the first anniversary date of the contract, whichever event shall first occur.

\* Asterisk indicates change



ILLINOIS POWER COMPANY  
SCHEDULE OF RATES FOR ELECTRIC SERVICE

SERVICE CLASSIFICATION 24 - PAGE 6

- (e) When maintenance of safe and adequate service to other customers might be jeopardized by demands in excess of reserved capacity, Utility may require Customer to furnish a circuit breaker of specified size and type, which shall be controlled, locked, or set by Utility to disconnect Customer's load whenever it exceeds his reserved capacity by more than 10 per cent.
- (f) Unless a new contract shall be executed, existing contracts shall be deemed to be amended from time to time to incorporate therein any and all revisions of this Service Classification, any Rider, any rule or regulation applicable to service thereunder or any Service Classification, Rider or rule or regulation substituted therefor (including without limitation changes in rates, charges and conditions of service) when such revision or such substitution shall be approved or permitted to go into effect under Section 36 of the Public Utilities Act or as otherwise provided by law, and to include any increased reserved capacity, any new primary term or any other matter to comply with the requirements of this Section 5 and other provisions of this Service Classification.

NOTE: This service classification is subject to the Standard Terms and Conditions of service set forth on Sheet No. 2 hereof.

\* Asterisk indicates change

Issued May 10, 1963

Effective June 9, 1963

Issued by E. A. Shultz, Vice President  
Decatur, Illinois

**CONFIDENTIAL**Form 113-2  
Rev. 9-61ILLINOIS POWER COMPANY  
DOCUMENT ROUTING SHEETRegistration No. 34804  
Date 3-25-65  
Originated By GNQTHIS SHEET MUST BE ATTACHED TO ALL COPIES OF THE DOCUMENT  
TO BE FORWARDED FOR EXAMINATION AND APPROVAL

ROUTE FOR EXAMINATION AND APPROVAL				DESCRIPTION OF DOCUMENT	
After examination and approval, please forward without delay to next party listed				Date <u>1-12-65</u> No. Copies <u>2</u>	
Route Order	PARTY OR DEPARTMENT	Date Released and initials	Dist.		Other Parties
			S	C	
* <del>1.</del>	<del>G. N. Quick</del>	<del>3/23/65 BMD</del>			Texaco, Inc.  Electric Service Contract: re operation of the electrical equipm in its oil field  <u>Marion County</u> Sec. 32, T2N., R1E  Term: 1 year beginning 12-23-64 and shall continue from year to year thereafter subject to 12 months written notice cancellation  Amount To be paid       \$  To be received \$ 591,721.00 ann. rev. est.  Executed by other party   Yes <input checked="" type="checkbox"/> No ( )  Req.  P. O.  W. O.
* <del>2.</del>	<del>G. P. Wilson</del>	<del>4/1/65 BMD</del>			
<del>3.</del>	<del>J. C. Leigh</del>	<del>4-2-65 JOK</del>			
<del>4.</del>	<del>H. C. Meeren</del>	<del>4/2/65 JBM</del>			
<del>5.</del>	<del>C. H. Fencken</del>	<del>4/3/65 JBM</del>			
<del>6.</del>	<del>G. N. Quick</del>	<del>4/6/65 BMD</del>			
<del>7.</del>	<del>C. H. Fencken</del>	<del>4/7/65 JBM</del>			
Distribution (in addition to above)					
	General Files		1		
	Other Party		1		
	F. M. Kinsey, Mt. Vernon			1	
	W. R. Hughes, Centralia			1	
	G. N. Quick, Building			1	

2 Copies to be executed by: HCM To be dated - Yes ☒ No ☐To be returned for further handling to: GNQ Distributed as checked April 6, 19 65 By WDC

## REMARKS

\* To initial Official File Copy

Supersedes and cancels Electric Service Contract dated 4-6-55, copy attached

run file  
**CONFIDENTIAL**

April 6, 1965

Mr. O. F. Sebesta, Division Manager  
Tenneco, Inc.  
P. O. Box 2420  
Tulsa 2, Oklahoma

Dear Mr. Sebesta:

The original Electric Service Contract for service to your Salem Unit has been signed by Mr. H. G. Meenan, Vice President, and is enclosed for your file.

Our Engineering Department is proceeding with plans to install additional capacity in the substation serving this unit. This installation is expected to be completed early this summer.

A billing advice has been issued to revise your billing under Service Classification 24 back to the effective date of this contract, which is December 23, 1964.

Thank you very much for your cooperation in this matter and if we can be of any further service, please do not hesitate to contact us.

Very truly yours,

ILLINOIS POWER COMPANY

ORIGINAL  
SIGNED BY W. D. CUNNINGHAM

W. D. Cunningham  
Industrial Development Engineer

WDC/jaj

Enclosure

cc: Mr. H. L. Murray  
Tenneco, Inc.  
Box 361  
Salem, Illinois

bc: H. G. Meenan, Building  
F. M. Kinsey, Mt. Vernon (w/conformed copy of contract)  
W. R. Hughes, Centralia (w/conformed copy of contract)  
General Files (w/signed copy of contract)

C. H. Fencken  
Building

March 24, 1965

DOCUMENT TRANSMITTAL

**CONFIDENTIAL**

FILE: ☐

ROUTE: ☒

☐ Information

☒ Execution

Name of Customer TEXACO, INC.

Location Section 32, T2N, R1E, Marion County, Salem, Illinois

Type of Business Oil Field (Lake Centralia)

UTILITY: ☒ Electric

☐ Gas

TYPE OF DOCUMENT:

☒ CONTRACT

Service Classification 24  
Annual Consumption 73,517,760  
Annual Revenue \$ 591,721.00  
Facilities Required None  
Cost \$ None  
Supersedes Contract Dated April 6, 1955  
Effective Date of Contract December 23, 1964  
Contribution Required \$ 23,116.00  
Deposit Required \$ None

Kwh  
Therms

☐ AMENDATORY LETTER

Reason for Amendment \_\_\_\_\_  
Effective Date of Letter \_\_\_\_\_  
Date of Amended Contract \_\_\_\_\_

☐ LETTER OF ASSIGNMENT

Effective Date of Letter \_\_\_\_\_  
Name of Assignor \_\_\_\_\_  
Date of Assigned Contract \_\_\_\_\_

☐ LETTERS OF CANCELLATION

Letter Requesting Cancellation:  
Date of Letter \_\_\_\_\_  
Letter of Acceptance: \_\_\_\_\_  
Effective Date of Letter \_\_\_\_\_  
Date of Cancelled Contract \_\_\_\_\_

REMARKS: Rental \$826.26/month

ORIGIN: ☐ Service Area ☐ Ind. Sales. WDC

☐ Industrial Sales Copy has been retained

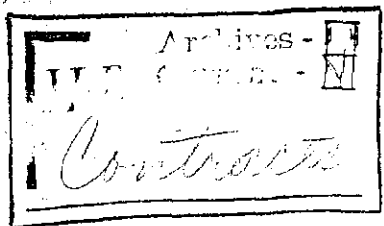
DISPOSITION AFTER ROUTING:

☒ Return all copies and original to Ind. Sales

☐ Retain original copy (copies) for General Files

Above Material Forwarded by JHS

Gen. Files



DUPLICATE COPY FROM  
RECORDS MANAGEMENT

CONFIDENTIAL

Decatur, Illinois  
March 19, 1965

F. M. Kinsey  
Mt. Vernon

As we discussed on the phone this morning, I have received Texaco's Electric Service Contract on Service Classification 24 for their Lake Centralia oil field. They also forwarded their check for the non-salvage costs of the substation in the amount of \$23,116.00. I have given this check to Mr. Bill Conyer, who is to see that it is credited to the proper accounts.

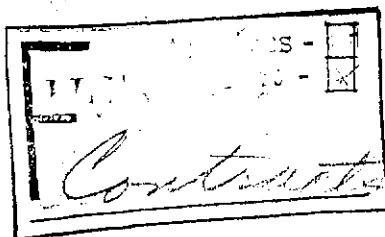
Please issue a Billing Advice that puts Texaco on Rate 24 effective December 23, 1964. The contract capacity is 9,370 kilowatts. The customer's monthly rental for the substation will be \$826.26. The monthly metered demand shall be increased by 0.75% and the monthly metered energy shall be increased by 0.75% to compensate us for transformer losses. The billing for this account is to be revised back to December 23, 1964 under Service Classification 24.

I will route the contract for acceptance by our company and as soon as I receive it back from routing I will return the original to the customer and forward conformed copies to your office and the Centralia office.

ORIGINAL  
SIGNED BY W. D. CUNNINGHAM  
W. D. Cunningham

WDC/jaj

cc: H. G. Meehan, Building  
W. R. Hughes, Centralia  
General Files



Gen. Files

**CONFIDENTIAL**

DUPLICATE COPY FROM  
RECORDS MANAGEMENT

January 12, 1965

Mr. John Tink, District Engineer  
TAMACO, INC.  
Box 299  
Salem, Illinois

Dear John:

A paragraph has been added to part six (6) of the enclosed contract. This is in accordance with my conversation with Mr. Hill this morning.

As Mr. Hill and I further discussed, we have received bids on the transformer to be added to the substation. We will proceed with ordering the transformer as soon as Tamaco signs and returns the contract. Therefore, it is important that you expedite the execution of this contract as soon as possible.

Very truly yours,

ILLINOIS POWER COMPANY

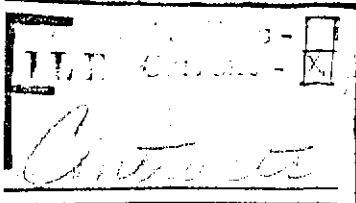
ORIGINAL  
SIGNED BY W. D. CUNNINGHAM

W. D. Cunningham  
Industrial Development Engineer

WDC/jaj

Enclosures

cc: H. G. Meenen, Building  
F. M. Kinsey, Mt. Vernon  
W. R. Hughes, Centralia  
General Files



DUPLICATE COPY FROM  
RECORDS MANAGEMENT

Gen. Files  
**CONFIDENTIAL**

Decatur, Illinois  
October 7, 1964

MEMORANDUM

Texaco, Inc.

I phoned Mr. H. L. Murray at Texaco's Salem office to ask if he had received the contract which I forwarded to him October 5, 1964. Mr. Murray was tied up and my call was referred to Mr. W. E. Hill.

Mr. Hill said that he had received the contract and it had been distributed to the different department heads in the company for their comments. He thought that the transmittal letter was clear and that at this point they had no questions.

The only drawback Mr. Hill mentioned was the twelve months lead time for the installation of new facilities in the Texaco substation. He said that since Texaco was one of our larger customers he felt we should be able to decrease this time. I told him that after a definite decision had been made to add the 1600 kilowatt load, we would reconfirm the lead time.

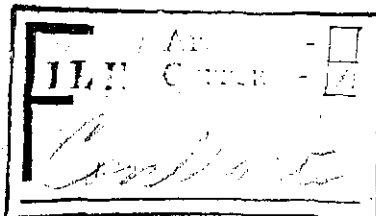
If anything further comes up, Mr. Hill said he would telephone us.

ORIGINAL  
SIGNED BY W. D. CUNNINGHAM

W. D. Cunningham

WDC/jaz

cc: H. G. Moenen, Building  
C. C. Ambrosius, Building (2)  
F. M. Kinsey, Mt. Vernon  
W. R. Hughes, Centralia  
G. O. Chester, Building  
General Files



Gen. File  
DUPLICATE COPY FROM  
RECORDS MANAGEMENT

**CONFIDENTIAL**

October 5, 1964

Mr. R. L. Murray  
Texaco, Inc.  
Box 361  
Salem, Illinois

Dear Mr. Murray:

On September 22, 1964, I met with Mr. W. E. Hill, Mr. Paul Francis, and Mr. Larry Larimore in Mr. Hill's office to discuss our proposal of your company going on Service Classification 24.

It was brought out at this meeting that your company is considering adding additional load to our 69,000 volt to 12,470 volt substation. I understand that 750 kilowatts are to be added in October and 1600 kilowatts are to be added at a later date. It was pointed out that the additional loads were not definite as yet.

I have met with our Engineering Department to discuss what effect this additional load will have on our substation. The substation is nearing its total capacity and, therefore, any additional load brings us nearer to having to add another transformer bank. It was determined that the addition of the 750 kilowatt load would not overload the facilities at the present time. However, when all or any part of the 1600 kilowatt load is added, new facilities will be required.

Therefore, if you were to go on Service Classification 24 as of the date of the enclosed contract, the reserved capacity will be 9024 kilowatts, which is your maximum load at present. The non-refundable contribution for the non-salvage costs will be \$12,523.00. The salvage costs are \$58,305.00 and the monthly rental based on 1½% of this amount will be \$723.91.

At such time as the addition of all or any portion of the 1600 kilowatt load is definite, it will be necessary to negotiate a new contract, due to the addition of a new transformer bank to the substation. If the 1600 kilowatt load were to be added at present, an additional contribution of \$7,998.00 would be required for the increased non-salvage costs. The salvage costs would increase to \$70,932.00 and the monthly rental based on 1½% of this amount would be \$886.65.

It is estimated that a lead time of twelve months will be required from the time a new contract is signed until the new facilities are installed.



**CONFIDENTIAL**

Mr. H. L. Murray

- 2 -

October 5, 1964

An original and two copies of a contract under Service Classification 24 for 3024 kilowatts are enclosed. If you decide to accept this proposal, please sign the original and one copy and return them to this office. You may retain the third copy for your files. The original will be returned to you after it has been signed by an officer of our company.

If the contract is accepted, please forward a check or purchase order for the non-salvage costs in the amount of \$12,523.00.

If you have further questions concerning this matter, we will be happy to meet with you for further discussion at almost any time.

Very truly yours,

ILLINOIS POWER COMPANY

ORIGINAL  
SIGNED BY W. D. CUNNINGHAM

W. D. Cunningham  
Industrial Development Engineer

WDC/jaz

Enclosures

cc: H. G. Meenen, Building  
G. P. Wilson, Building  
F. M. Kinsey, Mt. Vernon  
W. R. Hughes, Centralia  
G. O. Chester, Building  
General Files

## ELECTRIC SERVICE CONTRACT

CONTRACT dated October 2, 1951

**CONFIDENTIAL**

between ILLINOIS POWER COMPANY, an Illinois corporation herein called "Utility" and TEXACO EXPLORATION AND PRODUCTION INC.  
a Delaware  
corporation herein called "Customer".

**OFFICIAL FILE COPY**

ILLINOIS POWER COMPANY

The parties hereto hereby agree as follows:

1. Customer requires a capacity of 12,747.70 kw of three phase electric energy at approximately 69,000 volts, for the operation of the electrical equipment in its oil field located in and about Section 32, Township 2 North, Range 1 East, Marion County, Illinois. Utility agrees to supply such electric energy and Customer agrees to accept and pay for service rendered hereunder all in accordance with the rates, charges, terms and conditions set forth in Utility's Service Classification 35 and Riders AA and F, Ill. C.C. No. 29, and Utility's Standard Terms and Conditions, copies of which are attached hereto and made a part hereof, and the applicable Rules, Regulations and Conditions Applying to Electric Service, all of which are on file with the Illinois Commerce Commission as part of Utility's Schedule of Rates for Electric Service.

This Agreement shall control if there is any conflict between the provisions hereof and the provisions of any applicable service classification and/or Rider, Standard Terms and Conditions, or Rules, Regulations and Conditions Applying to Electric Service.

2. Utility's Schedule of Rates for Electric Service (which consists of all Service Classifications, all Riders thereto, the Standard Terms and Conditions, and the Rules, Regulations and Conditions Applying to Electric Service, and which is on file with the Illinois Commerce Commission) and any existing or future contract entered into between Utility and Customer for electric service shall be deemed to be amended from time to time to incorporate therein any revisions of and changes in the Schedule of Rates for Electric Service (including, without limitation, increases or changes in rate and charges and changes in terms and conditions of service) when such revision or change shall be approved or permitted to go into effect under the Public Utilities Act or as otherwise provided by law. Nothing contained in the Electric Rate Schedule or any existing or future contract shall affect or be construed as affecting in any way the right of the Utility unilaterally and without consent of Customer to take or initiate action, as permitted by applicable laws and regulations, to make revisions or changes in any provision of the Schedule of Rates for Electric Service. Any such revision or change may be initiated or made by Utility without informing Customer in advance or obtaining Customer's consent. After the effective date of any revision or change in Utility's Schedule of Rates for Electric Service, Utility shall supply and Customer shall accept electric service at the rates and charges and under the terms and conditions of Utility's Schedule of Rates for Electric Service as changed. Such Schedule of Rates for Electric Service as changed, to the extent applicable to provide service to Customer, shall thereupon be a part of this contract as if fully set forth herein.

3. The point of delivery at which electric energy will be supplied and accepted shall be where Utility's 69,000 volt lines connect to a substation located in the southeast quarter of the northwest quarter of Section 32, Township 2 North, Range 1 East, Marion County, Illinois. Utility agrees to provide, own, and maintain said substation on a rental basis as set forth in Section 6. a) hereof, but for the purpose of applying paragraph 5 of this contract, the point of delivery shall be the connection of the Customer's facilities to the 12,470 volt bus of said substation.

4. The point at which electric energy shall be measured (metering point) shall be Utility's 12,470 volt metering equipment located in the aforesaid substation.

5. Customer shall not be liable for and Utility shall indemnify Customer against any and all claim, damage, liability or expense, whether suffered or incurred by Utility or Customer, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical or other type of conductor or equipment located on Utility's side of the delivery point or by the presence or escape of electrical energy in or from such conductor or equipment and caused by Utility's negligence or misconduct; and Utility shall not be liable for and the Customer shall indemnify Utility against any and all claim, damage, liability or expense, whether suffered or incurred by Utility or Customer, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical equipment located on Customer's side of the delivery point or by the presence or escape of electrical energy in or from such conductor or equipment and caused by Customer's negligence or misconduct; provided, that if Customer and Utility are held jointly and severally liable for any claim, damage, liability or expense of any third party, a right of contribution shall exist as between Customer and Utility; provided further, that in computing any claim, damage, liability or expense under this paragraph, neither Customer nor Utility shall be permitted to include loss of profit on account of business interruptions or otherwise. Negligence or misconduct, as used herein, shall include but not be limited to failure to comply with all rules of the Illinois Commerce Commission applicable to the furnishing of electric service by electric utilities, the Health and Safety Rules of the Illinois Industrial Commission, regulations of the United States Occupational Safety and Health Administration, and the

Structural Work Act of the State of Illinois, or failure to perform a duty or meet a standard of regulations or statutes.

**CONFIDENTIAL**

6. a) In this contract there is incorporated herein by reference, attached hereto and made a part hereof, addendum identified as Exhibit I, Facilities Rental Agreement dated September 1, 1991.

b) According to the terms of the service classification, service shall be delivered to Customer from three-phase electric lines having a nominal standard voltage of 34.5, 69, or 138 kv. In order to receive service at 69 kv Customer must provide and maintain all transformers and related facilities necessary for handling and utilizing the energy delivered hereunder. Customer requests that in lieu of owning such facilities, Utility make available in Utility's existing 69,000 to 12,470 volt substation capacity to serve Customer's electric load. In consideration of this, Customer has paid Utility an initial non-refundable contribution of \$23,116.00 for a proportionate share of the non-salvage costs of the substation and agrees to pay a monthly rental of 1.5% of a proportionate share of the salvage costs of the substation. Customer's share of the salvage costs is \$66,101.00 and the monthly rental is, therefore, \$991.52, as set forth in Facilities Rental Agreement.

As set forth in the above paragraph, Customer has paid Utility a non-refundable contribution and agrees to pay a monthly rental. This contribution and rental entitles customer to a substation capacity of 16,000 kva.

c) In lieu of metering at the delivery voltage specified herein, Customer agrees that for the purpose of billing the electric energy herein provided, the monthly metered demand shall be increased by 0.75%, the monthly metered energy shall be increased by 0.75%, and the monthly metered reactive demand adjustment factor of 7% to compensate Utility for losses in the 69,000 to 12,470 volt transformers.

d) Customer elects to have Utility-Initiated and Utility-Controlled interruptions.

e) Upon the decision by the Utility that system conditions are such that power may be restored, customer requests restoration of service by Utility, without prior notification by Utility, through remote initiation of circuit breaker closure.

f) Utility agrees to provide an automatic telephone communication to a designated telephone number prior to initiation of interruption or at circuit breaker closure following interruption. Utility shall not be prevented from initiation of interruption or restoration of power by failure of the telephone communications being received or transmitted.

g) Customer agrees to pay for all equipment and communication circuits necessary for Utility to monitor, initiate and interrupt Customer's load. These facilities are included on the attached facilities rental agreement.

7. This contract shall be for a term of five ( 5 ) year(s), beginning on or about September 15, 1991 and shall continue from year to year thereafter unless cancelled by either Utility or Customer upon twelve (12) months prior written notice, in accordance with the terms of the Service Classification.

8. Any notice permitted or required to be given under the terms of this contract shall be sufficient if delivered or if deposited in the United States mail in an envelope properly addressed to the party upon whom such notice is being served, with lawful postage prepaid.

9. The complete understanding of the parties hereto is merged in this contract, and the electric service contract between the parties hereto dated January 12, 1965 is cancelled and superseded.

IN WITNESS WHEREOF, the parties hereto have duly executed this contract the day and year first above mentioned.

ILLINOIS POWER COMPANY

CUSTOMER

By Paul L. Lang

TEXACO EXPLORATION AND PRODUCTION INC.

Title Vice President

By H.K. Parker

Date 12/9/91

(Please type name below signature.)

Name Mr. H. K. Parker

Title Area Manager Date 11-5-91

## FACILITIES RENTAL AGREEMENT

Supplemental to Electric Service Contract Dated  
September 1, 1991 between TEXACO EXPLORATION AND PRODUCTION INC.  
 and Illinois Power Company

Utility agrees to furnish, install, own operate and maintain hereunder the below listed facilities for Customer's sole use. Customer agrees to lease facilities from Utility at rates and charges and under terms and conditions set forth in Utility's Schedule of Rates for Electric Service and more particularly in Sub-section 5.73 or its successor provision of Utility's Rules, Regulations and Conditions Applying to Electric Service.

The amount of the payment to cover the non-salvable replacement cost (including removal costs) of rental facilities and the amount of the replacement cost of salvable facilities shall be set forth in this contract. The monthly rental rate is established by Utility's Schedule of Rates for Electric Service and, like all other rates, charges, terms and conditions of Utility's Schedule of Rates for Electric Service, is subject to change as provided for in paragraph 2 of the Electric Service Contract. At the date of this contract, said monthly rental rate is 18% per year, payable at the rate of 1.5% per month.

The non-salvable costs set forth herein consist of Utility's costs of labor and non-salvable material used in the providing of rental facilities.

The non-salvable cost and monthly rental charge herein are in addition to all other charges under the contract of which this agreement is a part.

The non-salvable cost, replacement cost new of salvable facilities, and total monthly rental charge (monthly rate times replacement cost) are as follows:

Facilities	Non-Salvable and Removal Cost	Salvable Facilities	
		Replacement Cost	Monthly Rental Charge
1. 16,000 kva capacity in Utility's Texas Substation.	*	\$ 66,101.00	\$ 991.52
2. Equipment necessary for Utility's Decatur load dispatchers to monitor, initiate, and interrupt Customer's load, including a remote terminal unit, a 15.5 kv, 1200 amp circuit breaker, battery carryover system, cabinets and associated equipment.	\$ 58,595	\$ 46,223.00	\$ 693.35
3. Microwave communication channel from Stallings to Decatur.	**	**	\$ 91.28
4. Leased telephone circuit for tele-metering.	**	**	\$ 201.68

Exhibit I

Date

**CONFIDENTIAL**

Facilities	Non-Salvable and Removal Cost	Salvable Facilities	
		Replacement Cost	Monthly Rental Charge
5. Leased telephone business line for remote meter reading.	**	**	\$ 51.32
6. Cellular telephone system for back-up to telemetering circuit (Facility 4).	**	**	\$ 9.95
7. 16 kw natural gas fueled *** electric generator, 120/240 volt, 60 HZ.	\$7,250	\$5,472.15	\$ 82.08
8. Service agreement to maintain generator. ****	**	**	\$ 30.08
Total Monthly Charges			\$2,151.26

\* Paid for by previous agreement.

\*\* This is a monthly operation and maintenance fee Utility pays. There are no associated salvable or non-salvable costs.

\*\*\* Utility will not maintain a spare generator for replacement. Should generator need to be replaced, salvable value will be reevaluated based on cost of replacement. Initial monthly rental to begin with December, 1991 billing.

\*\*\*\* Initial monthly rental associated with generator to begin with December, 1991 billing.

ILLINOIS POWER

By

TEXACO EXPLORATION AND PRODUCTION INC.

By

# ELECTRIC SERVICE CONTRACT

CONTRACT dated December 14, 2004  
between AmerenIP, herein called "Utility" and Citation Oil & Gas Corporation, herein called "Customer".

The parties hereto hereby agree as follows:

1. Customer requires a capacity of 16,000 kVA of three phase electric energy at approximately 69,000 volts, for the operation of an oil field located near Seimaville Rd, Salem, IL 62881.

Utility agrees to supply such electric energy and Customer agrees to accept and pay for service rendered hereunder all in accordance with the rates, charges, terms and conditions set forth in Utility's Service Classification 24 and Riders AA, DE, EEA, G, IFC and J, Ill. C.C. No. 31, and Utility's Standard Terms and Conditions, copies of which are attached hereto and made a part hereof, and the applicable Rules, Regulations and Conditions Applying to Electric Service, all of which are on file with the Illinois Commerce Commission as part of Utility's Schedule of Rates for Electric Service.

2. The point of delivery at which electric energy will be supplied and accepted shall be the connection of Utility's 69,000 volt lines to Utility's distribution substation (Texas Substation) located in the southeast quarter, of the northwest quarter of Section 32, Township 2 North, Range 1 East, Marion County, Illinois. Utility agreed to rent 16,000 KVA of capacity in Texas Substation to Customer under the terms of a prior agreement.

3. The point at which electric energy shall be measured (metering point) shall be Utility's 12,470 volt metering equipment located in Texas Substation described above. Metered demands shall be increased by 0.75%, metered energy shall be increased by 0.75% and metered reactive demand shall be increased by 7.0% to compensate Utility for losses in the 69,000 to 12,470 volt transformers.

4. Customer shall not be liable for and Utility shall indemnify Customer against any and all claim, damage, liability or expense, whether suffered or incurred by Utility or Customer, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical or other type of conductor or equipment located on or adjacent to Customer's premises or by the presence or escape of electrical energy in or from such conductor or equipment and caused by Utility's negligence or misconduct; and Utility shall not be liable for and the Customer shall indemnify Utility against any and all claim, damage, liability or expense, whether suffered or incurred by Utility or Customer, or some other person, resulting from or occasioned by the presence, use or maintenance of any electrical equipment located on or adjacent to Customer's premises or by the presence or escape of electrical energy in or from such conductor or equipment and caused by Customer's negligence or misconduct; provided, that if Customer and Utility are held jointly and severally liable for any claim, damage, liability or expense of any third party, a right of contribution shall exist as between Customer and Utility; provided further, that in computing any claim, damage, liability or expense under this paragraph, neither Customer nor Utility shall be permitted to include loss of profit on account of business interruptions or otherwise.

5. (a) Initial Distribution Capacity shall be 5,833 kW. Future adjustments to Distribution Capacity shall be in accordance with the provisions of Utility's Standard Terms and Conditions referenced in Paragraph 1 above.

(b) Guaranteed Energy shall be 2,129,045 kWh per month for the first twelve (12) consecutive billing periods following the effective date of this agreement. Future adjustments to Guaranteed Energy shall be in accordance with the provisions of Service Classification 24.

6. This contract shall be for a primary term of five (5) years beginning on December 14, 2004 and shall continue from year to year thereafter unless cancelled by either Utility or Customer upon twelve (12) months prior written notice, in accordance with the terms of the Service Classification.

7. All notices and other communications required or permitted to be given to either party shall be in writing and shall be personally delivered or sent by United States Mail or registered mail, postage prepaid, and shall be deemed to be given for purposes of this Agreement on the day that such writing is delivered or sent to the intended recipient thereof in accordance with the provisions of this paragraph.

8. The complete understanding of the parties hereto is merged in this contract.

IN WITNESS WHEREOF, the parties hereto have duly executed this contract the day and year first above mentioned.

Ameren IP

Citation Oil & Gas Corp.

By

Frank A. Starbody  
(Signature)

By

Stephen L. Robinson  
(Signature)

Name Frank A. Starbody

Name Stephen L. Robinson

Title General Manager, Customer Service

Title Sr. Vice President Operations

## Facilities Rental Agreement

Facilities Rental Agreement dated December 14, 2004 between Citation Oil & Gas Corporation located at 3160 Selmaville Rd., Salem, IL herein called "Customer" and AmerenIP herein called "Utility".

The parties hereto agree as follows:

Utility agrees to furnish, install, own operate and maintain hereunder the below listed facilities for Customer's sole use. Customer agrees to lease facilities from Utility at rates and charges and under terms and conditions set forth in Utility's Schedule of Rates for Electric Service and more particularly in Subsection 6.2 or its successor provision of Utility's Rules, Regulations and Conditions Applying to Electric Service.

The amount of the payment to cover the estimated non-salvable replacement cost (including removal costs) of rental facilities and the amount of the replacement cost of salvable facilities shall be set forth in this contract. The monthly rental rate is established by Utility's Schedule of Rates for Electric Service and, like all other rates, charges, terms and conditions of Utility's Schedule of Rates for Electric Service, is subject to change. At the date of this contract, said monthly rental rate is 18% per year, payable at the rate of 1.5% per month.

The non-salvable costs set forth herein consist of Utility's estimated costs of labor and non-salvable material used in the providing of rental facilities. Customer shall pay Utility the amount of the non-salvable costs prior to the installation by Utility of any rental facilities.

The non-salvable cost and monthly rental charge herein are in addition to all other charges provided in Customer's Service Classification and applicable riders.

This Agreement shall begin on December 14, 2004 and shall have an initial term of one (1) year and shall continue from year to year thereafter unless cancelled by either Utility or Customer upon thirty days prior written notice.

Notwithstanding anything to the contrary in this Agreement, AmerenIP may, without the consent or approval of Citation Oil & Gas Corporation, assign this Agreement, or any rights under this Agreement, in connection with and/or as a part of any merger, acquisition, or transfer and/or sale of its stock or all or substantially all of its assets.

Any notice permitted or required to be given under the terms of this Agreement shall be sufficient if delivered or if deposited in the United States mail in an envelope properly addressed to the party upon whom such notice is being served, with lawful postage prepaid.

The non-salvable cost, replacement cost new of salvable facilities, and total monthly rental charge (monthly rate times replacement cost) are as follows:

Facilities	Non-Salvable and Removal Costs	Salvable Facilities	
		Replacement Costs	Monthly Rental Charge
(a) 16,000 kVA capacity in Utility's Texas Substation	*	\$66,101.00	\$ 991.52
(b) kW only retransmittal package	*	\$75.00	\$ 1.12
Total:		\$66,176.00	\$ 992.64

\* Non-Salvable costs paid under a previous agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above mentioned.

AmerenIP

By: Frank A. Starbody

Name: Frank A. Starbody

Title: General Manager, Customer Service

Citation Oil & Gas Corporation

By: Stephen L. Robinson

Name: Stephen L. Robinson

Title: Sr. Vice President Operations



## PRIVATE &amp; CONFIDENTIAL

**ELECTRIC SERVICE AGREEMENT  
ILLINOIS POWER COMPANY – CITATION OIL and GAS CORPORATION**

This Electric Service Agreement ("Agreement") is entered into this 14<sup>th</sup> day of Dec., 1999, by and between Illinois Power Company, an Illinois corporation ("IP") and Citation Oil and Gas Corporation, a Texas corporation ("Customer").

Whereas, Customer is the owner of, and requires electric service for its facility located at 3160 Selmaville Road, Salem, IL ("Facility");

Whereas, Customer desires to enter into an agreement with IP that will commit IP as the sole source of electric service to Customer at its Facility except as provided herein, through five (5) years from the Effective Date, notwithstanding that under Illinois law, Customer may otherwise be entitled to purchase electric power and energy for the Facility from suppliers other than IP after September 30, 1999; and

Whereas, IP desires to provide fully bundled firm electric service to Customer's Facility, and Customer desires to purchase the electric service for the Facility, at the prices, terms and conditions set forth in this Agreement.

Now, therefore, in consideration of the mutual agreements contained herein, IP and Customer agree as follows:

1. This Agreement shall be for a term commencing on the date first set forth above ("Effective Date"), and ending five (5) years from the Effective Date.
2. As used in this Agreement:
  - a. The terms "Contract Service," "Delivery Services," "Retail Customer," "Service Area," "Tariffed Service" and "Transition Charge" shall have the same meanings as defined in Section 16-102 of the Illinois Public Utilities Act ("Act");
  - b. The term "Decommissioning Rate" shall have the same meaning as in Section 9-201.5 of the Act;
  - c. The term "Off-Peak Period" shall mean the 13 consecutive hours commencing at 9:00pm and ending at 10:00 a.m. on weekdays, all hours on the weekends and all hours on New Year's Day, Good Friday, Memorial Day (Observed), July 4, Labor Day, Thanksgiving Day, Christmas Eve Day and Christmas Day.

## PRIVATE &amp; CONFIDENTIAL

- d. The term "On-Peak Period" shall mean all hours not in the Off-Peak Period.
- e. The term "Primary Term" shall mean the first thirty billing periods following the effective date of the Agreement.
- f. The term "Maximum On-Peak Demand" shall mean the maximum integrated kW demand delivered during any 15 minute period, of the On-Peak Period, defined above, in the billing period adjusted if IP requires measurement of Customer's service at a voltage other than the delivery voltage. If IP so requires, the measured demands and energy consumption shall be increased or decreased to compensate for transformer losses.
- g. The term "Maximum Demand" shall mean the maximum integrated kW demand delivered during any 15 minute period in the billing period adjusted if necessary, if IP requires measurement of Customer's service at a voltage other than the delivery voltage. If IP so requires, the measured demands and energy consumption shall be increased or decreased to compensate for transformer losses.
- h. The term "Distribution Capacity" shall be equal to Customer's highest Maximum Demand during the twelve consecutive billing periods ended with the current billing period.
- i. The term "Supply Line Voltage" shall mean the voltage of transmission, subtransmission or distribution lines used for delivering electric energy to Customer's Premises before the connection of transformers.
- j. The term "Delivery Voltage" shall mean the voltage of lines at the Delivery Point where IP's lines connect to the lines or facilities owned by Customer. For purposes of defining Delivery Voltage, facilities rented by Customer from IP are considered the same as facilities owned by Customer.
- k. The term "Metering Voltage" shall mean the voltage of lines at the point of connection of IP's metering equipment used for measuring electric energy delivered by IP to Customer for billing purposes.
- l. The term "Customer's Premises" shall mean the Facility described in the first "Whereas" clause in this Agreement.
- m. The terms "Grantee Instrument," "Instrument Funding Charge," "Transitional Funding Instrument" and "Transitional Funding Order" shall

## PRIVATE &amp; CONFIDENTIAL

have the same meaning as defined in Section 18-102 of the Act;

- n. The "Delivery Point" shall mean the point at which electric energy for Customer under this agreement will be supplied and accepted under this Agreement which shall be where IP's 69,000 volt lines connect to a substation located in the southeast quarter of the northwest quarter of Section 32, Township 2 North, Range 1 East, Marion County, Illinois. IP agrees to provide, own, and maintain said substation on a rental.
  - o. The "Metering Point" shall mean the point at which electric energy for this agreement shall be IP's 12,470 volt metering equipment located in the aforesaid substation. In lieu of metering at the delivery voltage specified herein, Customer agrees that for the purpose of billing the electric energy herein provided, the monthly metered demand shall be increased by 0.75%, the monthly metered energy shall be increased by 0.75%, and the monthly metered reactive demand adjustment factor of 7% to compensate IP for losses in the 69,000 to 12,470 volt transformers.
  - p. The term "Monthly Load Factor" shall mean the quotient of the kWh in a billing period divided by the product of the Maximum On-Peak Demand in each billing period times the days in the billing period times 24.
- 3. This Agreement includes the Additional Terms and Conditions which are set forth in Exhibit A ("Exhibit A") to this Agreement which is expressly incorporated herein by reference. This Agreement shall control if any conflict between it and the provisions of Exhibit A should arise.
  - 4. IP and Customer each understands and agrees that any reference herein to tariffs, service classifications, or tariffed services is for convenience only, and that this Agreement, and the service provided hereunder, are a contract service, not a tariffed service, and are not subject to regulation by the Illinois Commerce Commission except as expressly provided herein, or in Article XVI of the Act.
  - 5. Pursuant to 83 Il Admin 450.20 (g), Illinois Power informs the Customer hereby that eligibility for any contract entered into between a utility and a customer for the provision of competitive services not declared to be competitive pursuant to Section 16-113 of the Public Utilities Act or participation in a billing experiment under Section 16-106 of the Public Utilities Act, may not be conditioned on, or tied to, the taking of any goods and services from an affiliated interest of that utility.
  - 6. IP shall provide, and Customer shall accept, fully bundled electric service as follows: Electric service covered by this Agreement shall be delivered to the Facility and shall be metered on the low side of the IP side of the transformer

## PRIVATE &amp; CONFIDENTIAL

or transformers. IP shall provide and maintain all meters necessary for supplying and metering the electric service to such Delivery Point in accordance with IP's standard engineering and system operating practices.

7. Customer agrees that during the term of this Agreement IP shall be the sole source of supply of electric service, and Customer shall not obtain electric service, or any component of electric service, from any other person, party or entity, or construct, utilize or obtain any generating facilities to generate or supply electric power or energy, during the term of this Agreement except that Customer may install onsite generation to facilitate the disposal of waste natural gas. Should such generation be installed in any month prior to July in any given calendar year and after installation such generation is run continually through term of contract, not additional charges shall accrue. Should such generation be installed in any month after June of a given calendar year or, after installation, it not be run continually throughout the term of contract, Illinois Power may charge Customer for kWh's produced by generators the difference between market price power and the energy price pertinent to the Customer. Customer agrees that during the term of this Agreement, Customer shall be precluded from using for the Facility any other electric service option offered by IP (including, without limiting the foregoing, delivery services). In the event of the sale by Customer of the Facility, IP shall be entitled to refuse consent to assignment to the new owner of Customer's rights under this Agreement. However, if the new owner has similar credit worthiness as the Customer such assignments shall not be unreasonably withheld. Upon the close of such a sale, if IP refuses to consent to such assignment, any obligation of IP to be Customer's supplier of electric power and energy to the Facility shall terminate.
8. Any additional services, facilities, upgrades, replacements or relocations, other than the firm electric service described in this Agreement, which are provided by IP to Customer's facility including, without limiting the foregoing, the rental of facilities for the Facility's sole use ("Additional Services"), shall be provided pursuant to a separate agreement which shall be attached as an Exhibit B to this Agreement and shall be considered incorporated herein by this reference ("Exhibit B"). Exhibit B shall be amended as needed as facilities are added or existing facilities modified.

Charges for the facilities described in Exhibit B shall be at rates in accordance with that Exhibit.

9. For the period of five (5) years from the Effective Date, electric service under this Agreement, excluding Additional Services, shall be rendered as described in this Agreement including the applicable charges for each billing period enumerated below. For this and the following Paragraph, the terms shall have the same meaning as defined in IP's Electric Standard Terms and

## PRIVATE &amp; CONFIDENTIAL

## Conditions.

- a. Charges pursuant to IP's Rider DE, Decommissioning Expense Adjustment, or any successor decommissioning rate (including any successor decommissioning rate adopted pursuant to Section 16-114 of the Act), as in effect from time to time; plus
- b. Charges calculated based on IP's Rider EEA, Adjustment for Incremental Costs of Environmental Activities, or its successors, as in effect from time to time; plus
- c. Charges calculated pursuant to IP's Rider G, Energy Assistance Charge and Renewable Energy Resources and Coal Technology Development Assistance Charge included in IP's Account Charge, or its successors, as in effect from time to time.
- d. Additionally, the following charges, as applicable, shall be paid by Customer to IP in each billing period.
  1. Charges calculated based on IP's Rider A, Municipal Tax Additions, or its successors, as in effect from time to time, if the Facility is located in a municipality which has imposed a tax on gross receipts pursuant to Section 8-11-2 of the Illinois Municipal Code, or any amount of tax imposed by the municipality pursuant to Section 8-11-2 of the Municipal Code on Customer's use or consumption of electricity; plus
  2. Charges calculated based on IP's Rider AA, State of Illinois Revenue Taxes, or its successors, as in effect from time to time, or the amount of any tax imposed on Customer's use or consumption of electricity by the Electricity Excise Tax Law; plus
  3. Charges pursuant to any tariff placed into effect by IP to collect charges in respect of a fee imposed by any municipality in which the Facility might be located pursuant to a franchise and/or the Electricity Infrastructure Maintenance Fee Law.
- e. Transition Charges. The parties do not believe that Customer owes a transition charge for the Facility assuming this Agreement remains in effect. If, however, there is any doubt as to whether transition charges are owed, the parties expressly recognize that such charges shall be assessed for the Facility unless (1) Customer can demonstrate conclusively to IP that no such charge is applicable to the Facility with it being IP's sole discretion to accept or reject such demonstration; or (2) Customer receives a final court order from a court of competent jurisdiction in a proceeding to which IP has been made a party, declaring

**PRIVATE & CONFIDENTIAL**

that no such charge is applicable to the Facility. The rate to be used in calculating applicable transition charges under 220 ILCS 5/16-102 and 16-108 shall be Service Classification 21 which would have applied to Customer were Customer not taking service under this Agreement. This rate shall be used in calculating transition charges unless a final court order is issued from a court of competent jurisdiction in a proceeding to which IP has made a party, declaring that this rate should not be applicable. In the event of such a court order, the Customer shall pay the transition charge to IP based on a calculation using the rate required in the final court order.

If either party obtains a declaratory ruling from the Illinois Commerce Commission as to the application of transition charges to the Facility, this Agreement shall not be construed as requiring either party to appeal the decision. The parties further agree that should transition charges become applicable to this contract and result in a average price for electrical service higher than that in this Agreement during the term of this Agreement, either party may terminate this Agreement upon 30 days written notice.

IP and Customer agree that Customer's Facility shall be deemed to be served pursuant to the provisions listed in this and the following Paragraph and these provisions shall, collectively, constitute a part of the price at which electric power and energy are provided by IP to the Facility under this Agreement as though these prices were fully set forth in this Agreement.

Customer agrees that if the Illinois Commerce Commission, on application filed by IP or an affiliated entity of IP, issues a transitional funding order or orders pursuant to Article XVIII of the Public Utilities Act ("TFO") creating and vesting intangible transitional property in Illinois Power Securitization Limited Liability Company or any other grantee (each, a "Grantee") and authorizing Grantee or its assignee (including Illinois Power Special Purpose Trust), either directly, or through IP or any successor thereto as servicer (the "Servicer"), to impose on and collect from retail customers of IP instrument funding charges in respect of such intangible transition property, then Customer shall pay each billing period to the Servicer, or, if so directed, directly to the Grantee or its assignee, an amount equal to the amount of instrument funding charges which would be billed to customer in accordance with such TFO if the electric service being provided to Customer under this Agreement were being provided under Service Classification 21 Customer shall be required to pay such amounts each billing period upon receipt of invoices therefor from IP, as Servicer, or from the Grantee or its assignee, as applicable, in accordance with the due date specified in this Agreement. Such amounts shall be separately stated on invoices from IP to Customer for service under this Agreement. IP shall provide a credit on its invoice to Customer for charges under this Agreement each billing period in an amount

## PRIVATE &amp; CONFIDENTIAL

equal to the amount billed to Customer by IP, as Servicer, in respect of instrument funding charges for such billing period. IP and Customer agree that the Grantee or its assignee shall be a third party beneficiary of this provision of this Agreement.

10. During the Primary Term of the Contract, Customer shall be billed in accordance to the following schedule:

<u>Monthly Load Factor</u>	<u>Base Price per kWh</u>
less than 70%	4.35 cents
70 - 79%	3.95 cents
80 - 89%	3.75 cents
90% and greater	3.55 cents

Service under this Agreement is interruptible. Should Utility's anticipated market price exceed 10 cents per kWh, Utility shall notify Customer that a buy through condition is in effect and supply to Customer a quoted cost of energy. This quoted cost shall be determined in a manner consistent with Utility's practice in the electric wholesale market. Upon notification of a buy through period, Customer shall pay Utility the quoted cost of energy plus an adder of 1.5 cents per kWh. Customer shall pay Utility this cost until Utility notifies Customer that the buy through period has expired, at which energy shall be priced in accordance with the load factor schedule set forth in this Section 10. Additionally Utility may notify Customer via existing equipment that Customer shall curtail usage due to a system emergency or to protect system security and reliability. Should Customer consume energy above the stated level of curtailment after such notification of curtailment, Customer shall pay Utility 1.3 times the cost of purchasing such power and energy in the wholesale markets until Utility notifies Customer that curtailment has expired. If, as described in Exhibit C there is no need to adjust the base prices, the Agreement shall expire five (5) years from the effective date. If the base prices require adjustment, as described in Exhibit C, sixty days prior to the expiration of the primary term, the parties shall endeavor to agree upon a mutually agreeable price for the duration of the Agreement. However, if the parties have not agreed upon a price by the end of the primary term, the Agreement will terminate.

Additionally, Customer shall receive a billing credit of .4549 cents per kWh during the first twelve (12) billing periods of the Agreement. However, in no case shall the annual amount of these billing credits exceed \$200,000. Should the total of these billing credits be less than \$200,000, a billing credit equivalent to the difference between \$200,000 and the total of billing credits during the first twelve billing periods will be given to Customer on the thirteenth billing period following the Effective Date of the Agreement.

## PRIVATE &amp; CONFIDENTIAL

Additionally, the Customer shall receive an additional billing credit of \$37,570 during the first billing period following the effective date of the Agreement. This billing credit does not impact the capped amount mentioned above.

11. IP and Customer agree this Agreement shall be terminated at the end of the fifth (5th) year from the Effective Date, and Customer shall be entitled to return this Facility to electric service under any applicable Standard Service Classification in IP's Schedule of Rates for Electric Service that is in effect at that time.
12. The discount provided for in this Agreement shall not apply to any Customer load currently served under a service classification, or electric service or special contract requiring a cancellation notice period, until the written notice required by the service classification, or service or special contract has been given. When the longer of the required notice period or primary term of the service classification, or electric service or special contract has expired, this Agreement shall supercede such service classification, or electric service or special contract and apply in its entirety to the service governed by this Agreement. This Agreement shall apply immediately to Customer load currently served under a service classification, or electric service or special contract not requiring a notice period and this Agreement shall supercede and replace any such service classification, or electric service or special contract.
13. By Customer signature set forth on this Agreement Customer evidences this appointment of IP as Customer's sole agent for the purpose of securing information, arranging delivery, account maintenance and electric purchase and deliveries and other arrangements necessary to ensure delivery of energy. Customer agrees to sign separate letters signifying this appointment of IP as agent during term of this Agreement upon IP's request.

The foregoing is agreed to by IP and Customer as evidenced by the signatures of their authorized representatives set forth below.

ILLINOIS POWER COMPANY

By: Marla Bishop

Name: Marla Bishop

Title: Account Manager

CITATION OIL AND GAS CORPORATION

By: Stephen L. Robinson *ONE*

Name: Stephen L. Robinson

Title: Vice President Drilling & Production